GOODHAUS

A guide to investing with Goodhaus

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WELCOME

This guide has been created to help you understand the key steps involved in preparing, leasing, and managing your investment property with Goodhaus. Inside, you will find an overview of the process, what to expect along the way, and practical insights to help you make informed decisions and maximise the performance of your investment.

Goodhaus goes beyond simply managing property. We support you throughout the investment journey with care, expertise, and trust. From preparing your property and attracting the right tenants to managing its long-term performance, the focus is on protecting your asset, and ensuring the experience reflects what good real estate should be.

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Welcome to Goodhaus. Our commitment goes beyond property management. We're here to make your investment journey smooth, rewarding, and stress-free.

You're in good hands.

BENEFITS OF INVESTING IN PROPERTY

Taking the plunge as a property investor can be an exciting, yet daunting experience, so we've put together a guide to help you navigate your way into the property investment market.

- **Capital Gains**
  Property values tend to increase over time, providing significant long-term capital growth. By holding onto your investment, you can benefit from appreciation in property prices, allowing you to build wealth over time.
- **Less Risk**
  Compared to other investment options, property is considered a relatively stable investment. With rental income providing a steady cash flow, and the tangible nature of property offering security, investors can enjoy a lower level of risk compared to volatile assets like stocks.

HOW GOODHAUS SUPPORTS YOU

We don't just manage properties, we take care of them like they're our own. Our support includes:

- **Dedicated Property Managers**
  Real people who genuinely care about your success.
- **24/7 Maintenance Coordination**
  So your tenants stay happy and your property stays in top shape.
- **Legal & Compliance Assistance**
  Ensuring you're always up to date with changing regulations.
- **Clear Financial Reporting**
  Know exactly how your investment is performing at all times.

Important considerations.

ACT LAND TAX NOTIFICATION

ACT land tax applies to all residential properties that are not occupied by an owner as their principal place of residence. You must notify the ACT Revenue Office if you own a property liable for land tax. High penalties may apply if you do not notify the ACT Revenue Office that you are liable for land tax.

You will need to notify them that you have a land tax liability if you:

- Own a property that is rented or becomes rented
- Own a property that has been left vacant or becomes vacant
- Rent a dwelling on the same property as your principal place of residence (like a granny flat)
- Own a property as a trustee

LANDLORDS INSURANCE

Landlords insurance provides cover for tenant related risks, including potential financial losses due to tenant damage, unpaid rent, or legal disputes. When considering a policy, options include:

- Third party liability in the event a tenant damages or destroys the structure
- The cost of rehousing a tenant if the property in uninhabitable due to fire or flood
- Contents cover for furnishings or fixtures that belong to the landlord
- Cover for the loss of rent if a tenant defaults on payment
- Injury claims made by a tenant or visitor over an incident that happens on your property

SAFETY

Ensuring your property meets health and safety regulations is essential for protecting both your tenants and your investment.

SWIMMING POOLS

If your property has a pool, compliance with safety fencing and maintenance requirements is mandatory. In the ACT, rules extend to al blow-up, demountable, in-ground, permanent, temporary or portable pools and spas.

The safety barrier must be certified in accordance with Australian Standards and a Certificate of Occupancy and Use issued under the Building Act 24 and be certified as compliant by an ACT licensed building surveyor.

Tenants are responsible for making sure the pool fence is maintained and operating correctly. Any malfunctions need to be fixed or reported to the property manager as a matter of urgency. All costs relating to swimming pool and spa maintenance must be detailed in the tenancy agreement.

SMOKE ALARMS

Landlords are required by law to have compliant and functioning smoke alarms installed in their properties.

Under ACT laws, property owners must install a working smoke alarm, either hard wired or battery operated that complies with AS3786(1) on each storey of the building.

S119 CERTIFICATE (UNIT PLAN PROPERTIES ONLY)

In June 2024 the Housing and Consumer Affairs Legislation Amendment Act passed through the Legislative Assembly. This legislation contained certain provisions that will have a significant impact on landlords, and by extension on property managers, in strata buildings in the ACT.

These new laws state that when a landlord enters into a new lease with a tenant (from 9 January 2025), the landlord must first obtain a "Section 119 Rental Certificate" from the strata manager. This Certificate will last 5 years across multiple tenancies.

These certificates will disclose a great deal of information about the strata complex, such as whether the building is subject to an embedded network for energy or data, as well as information regarding insulation and swimming pool compliance. The full content will not be announced until after the election in October and then after the Legislative Assembly meet.

Although the bill has now passed into law, the requirement to include these certificates has not yet commenced, as the Disallowable Instrument (DI) is still being finalised. The bill states that the requirements will come into force by notification of the Minister OR if not notified by the Minister the requirements will automatically come into force on 9 January 2025 (6 months from the date the bill was notified). In simple terms, this requirement could commence any day between now and 9 January 2025.

A SUMMARY OF WHAT THIS MEANS:

- A new lease cannot be signed until a certificate is ordered, paid and received for each apartment/townhouse owner.
- The certificate is valid for 5 years (if any amendments are made to the building this will be provided at no additional charge).
- Strata companies have 14 days in which to provide the certificate, however, if it is the first certificate the strata manager has issued for the building, they will have 6 weeks to issue the certificate.
- The cost to each owner is estimated to be $332.00. This charge will be set by the government and will be announced when the Minister takes position after the election.
- Self Managed Unit Plans must also provide these certificates. If you have a self managed unit plan please reach out and we can provide assistance.

CEILING INSULATIONS

The ACT Government previously introduced minimum standards for ceiling insulation for all properties in Canberra, which commenced 1 April 2023. Insulation must be R2.0 or above and evidence of compliance must be kept on file.

PROPERTY BUILT AFTER 1997

If your property was built AFTER 1997 and has insulation and it has not been significantly disturbed:

- a copy of the full EER Report (not just the first page) from your sales contract OR
- sign the statutory declaration attached as building regulations from 1997 had a minimum of R3.0 as standard.

PROPERTY BUILT BEFORE 1997

If your property was built PRIOR to 1997 and has insulation and it has not been significant disturbed:

- a copy of the full EER Report (not just the first page) from your sales contract OR
- a copy of an invoice or receipt for any insulation upgrades you have made to the property OR
- you have neither of the above and require an insulation inspection and compliance certificate to be done at a cost of $265 (incl GST). If your property is deemed less than R2.0 rating the inspector will also provide an insulation quote at the same time.

Please note that if your property is deemed not compliant and you have ordered insulation, there is up to a 6 month wait on having insulation installed in ACT.

How to make your investment property more tax effective.

Maximising your returns through tax-effective strategies is essential. Ensuring you claim all relevant deductions can significantly enhance your investment's profitability.

To get you started, here are some common tax deductions you may be eligible to claim:

- **Purchase costs:** When you buy an investment property, you may be eligible to claim stamp duty, transfer fees, mortgage registration costs, fees for building inspections and conveyancer and solicitor expenses as deductions for the tax year you purchased the property.
- **Investment loan expenses:** Interest paid on loans used to purchase an investment property is tax-deductible. Refinancing may give you a better deal, so research the best interest rates across a series of lenders, or reach out to a Goodhaus recommended mortgage broker for their help.
- **Repairs and maintenance:** Costs incurred to maintain the property in a rentable condition can be deducted.
- **Property management fees:** The costs of hiring a property manager can be claimed as a tax deduction.
- **Insurance:** Landlord insurance and other property-related insurance policies are deductible expenses.
- **External costs:** Expenses such as council rates, water rates, and strata fees may be tax-deductible.
- **Depreciation:** Claiming depreciation on fittings, fixtures, and the building itself can help reduce taxable income.

How to add value to your investment property.

GARDEN

Well-maintained landscaping enhances kerb appeal and attracts quality tenants.

PAINT

A fresh coat of paint instantly modernises and revitalises a property.

FLOORING

Upgrading carpets, tiles, or floorboards can significantly improve a property's look and feel.

KITCHEN REVAMP

Minor updates like new benchtops, cabinetry, or appliances can increase property value.

BEAUTIFY THE BATHROOM

Upgrading taps, shower screens, or vanities can make a big impact.

ADDITIONAL STORAGE

Built-in wardrobes, shelving, or storage solutions add practicality for tenants.

CREATURE COMFORTS

Features like air conditioning, heating, and ceiling fans enhance tenant satisfaction.

OUTDOOR OASIS

Creating a functional and inviting outdoor space increases tenant appeal.

EXPERT PROPERTY MANAGER

A skilled property manager can ensure strategic upgrades for maximised returns.

How to reach and appeal to quality tenants.

The success of any investment property depends on attracting responsible tenants who pay rent on time, and take care of the property. Finding and retaining quality tenants begins with partnering with an experienced and reputable property manager who can expertly navigate the leasing process.

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Minimising vacancy periods is crucial, so ensuring your rental property is well-prepared and appealing to prospective tenants is key. A well-presented property attracts more interest, giving you a wider selection of applicants and increasing the likelihood of securing the best tenant for your investment.

Here are some expert tips to help your property stand out and attract high-quality tenants:

- Have the property professionally cleaned: A spotless property creates a great first impression.
- Professional photography: High-quality images enhance online listings and attract more interest.
- Create allure with online listings: Well-written descriptions and visually appealing listings draw in quality tenants.

RESIDENTIAL TENANCY AGREEMENTS: FIXED VS PERIODIC

FIXED-TERM AGREEMENTS

Provide stability for both landlords and tenants, ensuring rent is locked in for a set period. Fixed term leased are suited to landlords and tenants seeking peace of mind and security. Tenants may contribute towards the cost of reletting if they opt to move out earlier than agreed.

PERIODIC AGREEMENTS

Offer more flexibility but may come with the risk of short-term vacancies. It means the lease can continue indefinitely until the tenant is given at lease 8-weeks notice in writing for self occupancy, vacant sale and 12-weeks notice for major renovations, Conversely, thee tenant can give a minimum 21 days notice to vacate the property.

How a property manager adds value to your investment portfolio.

A property manager provides expertise and efficiency in handling all aspects of your investment, including:

- **Maximising Rental Income:** Setting optimal rental rates to attract quality tenants.
- **Minimising Vacancies:** Effective marketing and tenant screening reduce vacancy periods.
- **Handling Legal & Compliance Issues:** Ensuring properties meet regulations and managing disputes.
- **Managing Maintenance & Repairs:** Coordinating reliable contractors and preventative maintenance.
- **Providing Financial Insights:** Regular performance reporting and guidance on investment strategy.

Reviewing your property's performance.

To maximise your investment and refine a high-performing strategy, it's essential to have a clear understanding of how your portfolio is working for you. Take the time to identify opportunities that can reduce costs and potentially enhance your returns, ensuring long-term financial growth and stability.

REVIEW THE RENT

Regularly assessing rental rates ensures your property remains competitive in the market.

PROPERTY VALUE

Monitoring property value growth allows you to make informed decisions about refinancing or selling. If property prices have increased, your equity would have also increased. An appraisal by one of our trusted sales agents can help to provide some clarity on the current market trends

INSURANCE

Ensuring your insurance policies remain up-to-date and adequate for your property's needs. If your investment portfolio extends to several properties, consider consolidating insurance policies to one company and you may be able to get a more competitive rate.

INVESTMENT LOANS

Regularly reviewing your loan structure can help reduce interest payments and improve cash flow. Reassess your interest rates including when any fixed terms may end.

THE SCORECARD

Evaluating your property's overall performance, including occupancy rates and rental yield.

RENTAL YIELD

Calculating rental income versus property costs to ensure you're maximising returns. A rental yield is simply the difference between the income you receive from renting your property less the overall costs of having your investment.

MAINTENANCE

Regular inspections are a must for investment properties to identify maintenance issues. Staying on top of repairs and renovations to maintain property value and tenant satisfaction.

Our investment process.

We believe in simplicity, transparency, and good outcomes. Here's how Goodhaus guides you through your investment journey.

01 ONBOARDING & CONSULTATION

From day one, we take the time to understand your investment goals, expectations, and property details. Your journey starts with a good strategy.

02 PROPERTY EVALUATION & MARKET INSIGHTS

We assess your property and provide an expert market report, highlighting rental potential and strategic recommendations.

03 OPTIMISED LEASING APPROACH

Our tailored marketing strategies ensure your property stands out, attracting high-quality tenants quickly.

04 TENANT SELECTION & FULL-SERVICE MANAGEMENT

We handpick responsible tenants and take care of everything—inspections, maintenance, and lease management. You can rest easy knowing your investment is in good hands.

05 ONGOING PERFORMANCE & GROWTH

Regular updates keep you informed on rental income, market trends, and ways to further enhance your property's value.

Why invest with Goodhaus.

Great outcomes don't just happen. They're crafted by good people, doing good work, and driving a great strategy. We understand that your property is more than the property itself. It is an investment in your future. That's why we focus on maximising returns while ensuring every step of your journey is guided with care, expertise, and trust.